

**To: Scanning (Remsen Bldg.)  
From: Board of Patent Appeals  
and Interferences (BPAI)**

**Scanning Coversheet**



**Serial No.: 09/502,542**

**Incoming: \_\_\_\_\_ Date Received: \_\_\_\_\_**

**Outgoing: x Date Mailed: 08/22/07**

**TOC Code: APDA**

**Document Type: BPAI Decision – Examiner Affirmed**

**Annotations: \_\_\_\_\_**

**Note: This paper has been mailed by BPAI.**

The opinion in support of the decision being entered  
today is *not* binding precedent of the Board.

UNITED STATES PATENT AND TRADEMARK OFFICE

---

BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

---

*Ex parte* BRUCE L. DAVIS, WILLIAM Y. CONWELL,  
and JOEL R. MEYER

---

Appeal No. 2007-0065  
Application No. 09/502,542  
Technology Center 3600

---

Decided: August 22, 2007

---

Before MURRIEL E. CRAWFORD, HUBERT C. LORIN, and  
JOSEPH A. FISCHETTI, *Administrative Patent Judges*.

LORIN, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

This is an appeal from a decision of the Examiner rejecting claims 1, 3-7, 9-27.<sup>1</sup> 35 U.S.C. § 134 (2002). We have jurisdiction under 35 U.S.C. § 6(b) (2002).

The invention “relates to on-line shopping, including the compilation of ‘favorites’ lists useful in such shopping” (Specification 1:4-5).

The claims are rejected as follows:

- Claims 1, 7, 10, and 20-25 are rejected under 35 U.S.C. § 102(e) as being unpatentable over Swartz (US Patent 6,243,447 B1).
- Claims 3-6, 11-14 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Swartz in view of Official Notice.
- Claims 26 and 27 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Swartz in view of “St. Regis Paper Co. v. Bemis Co., 193 USPQ 8.”
- Claims 9, 15-17 and 19 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Kenney (US Patent 6,381,583 B1) in view of Swartz.
- Claim 18 is rejected under 35 U.S.C. § 103(a) as being unpatentable over Kenney (US Patent 6,381,583 B1) in view of Swartz and further in view of “St. Regis Paper Co. v. Bemis Co., 193 USPQ 8”.
- 

We AFFIRM.<sup>2</sup>

---

<sup>1</sup> Claims 2 and 8 have been canceled.

<sup>2</sup> Our decision will make reference to Appellants’ Second Appeal Brief (“Appeal Br.,” filed May 15, 2006), the Examiner’s Answer (“Answer,” mailed Jul. 11, 2006), and to the Reply Brief (“Reply Br.,” filed Sep. 11, 2006).

*Claims 1, 7, 10, and 20-25 are rejected under 35 U.S.C. § 102(e) as being unpatentable over Swartz.*

*Claim 1*

Claim 1 reads as follows:

1. A method comprising:

presenting a collection of retail items, each having an indicia associated therewith, in a bricks and mortar store offering items for sale;

sensing the indicia associated with selected ones of said items;  
compiling a list identifying the items whose indicia were sensed;

storing said list in a data structure associated with a user; and  
later recalling said list;

using said recalled list to present a customized selection of items in an on-line shopping environment; and

receiving input from a user identifying a subset of items from said customized selection of items.

**A. ISSUE**

The issue is whether Appellants have shown error in the rejection.

**B. FINDINGS OF FACT**

The record supports the following findings of fact (FF) by a preponderance of the evidence.

1. The Examiner found that Swartz discloses the claimed subject matter, as follows:

1 (Original) A method comprising:

presenting a collection of retail items (col 7, line 41),  
each having an indicia associated therewith, in a bricks and mortar store offering items for sale (FIG 3, item 75);  
sensing the indicia associated with selected ones of said items (FIG 1);

compiling a list identifying the items whose indicia were sensed (FIG 4);

storing said list in a data structure associated with a user; and later recalling said list (FIG 4, item 124);

using said recalled list to present a customized selection of items in an on-line shopping environment (col 8, lines 7-53); and

receiving input from a user identifying a subset of items from said customized selection of items (col 3, lines 18-39).

(Answer 4.)

2. Appellants argue that Swartz does not anticipate the claimed subject matter because it “does not teach the last two clauses. ... In claim 1, as in other claims, appellants have emphasized the interrelationship between activities (1) in a bricks and mortar store, and (2) in an online shopping environment. Swartz concerns just a bricks and mortar store. He does not teach any online shopping environment” (Appeal Br. 7-8.) (Emphasis original.)

3. The Examiner responds as follows:

Appellants argue that Swartz does not teach using said recall list in an online environment [penultimate clause of claim 1]. The examiner disagrees and further directs appellant’s attention to FIG 4 where it is abundantly clear that a recall list is being accessed and then FIG 3 where the portable communications terminal 72 accesses the store computer 73 through a network access point.

Appellant argues that Swartz does not teach receiving a subset of items from the user from said customized selection of items [last clause of claim 1]. Col 3, lines 18-40, clearly teach the use of historical information from which a subset shopping list may be generated and used during a shopping session.

(Answer 10.)

4. Appellants respond by arguing that “Claim 1 concerns compiling a list of retail items of interest in a bricks and mortar store (through sensing of

barcodes or the like), *and later use of that list to present to a consumer a customized selection of items in an on-line shopping environment*” (Reply Brief 3)( Emphasis original).

5. Appellants argue that:

... Swartz’s specification makes clear that his system (including the store computer, etc.) is implemented in a *bricks and mortar* store. For example, his store has “shelves” and includes several “checkout registers.” While shopping, a consumer uses Swartz’s hardware to scan bar codes from each product he wants to purchase when he takes products from the shelves – saving the cashier at the checkout register the trouble of scanning the items.

In contrast, Appellants’ specification makes clear an on-line shopping environment means something *different* than a bricks and mortar shopping environment.

....

... Appellants describe an on-line shopping environment as a “virtual” [citing the Specification 1:10; 3:15; 7:10-11; 8:19] one in which consumer interacts with a computer to select products for purchase through the use of a computer user interface. ...

Swartz’s arrangement does not have these hallmarks. Swartz’s consumer deals with physical products, stocked on shelves. He doesn’t act in a virtual environment. The consumer doesn’t select products based on textual or graphical product representations through a computer user interface. The shopping activity does not take place remotely from the product inventory. Swartz does not teach an “on-line shopping environment,” as that claim is properly construed.

(Reply Brief 3-4.)(Footnotes omitted.)

6. Specification, page 1, line 10, reads “Consider on-line grocery stores. These virtual storefronts offer an impressive [inventory of choices, but have cumbersome user interfaces for product selection].”

7. Specification, page 3, line 15, reads “[After wandering the aisles for ten or 15 minutes, the user] has compiled a list of items that can be presented in a virtual store customized for that [user].”

8. Specification, page 7, lines 10-11, reads “In still other embodiments, the on-line store can display to a shopper a virtual shopping aisle featuring graphical – rather than strictly textual – representations of items [for sale].”
9. Specification, page 8, line 19, reads “[The application that presents the shopping experience can still be a remote server – that loads the product list from local storage on] the user’s computer and uses same in presenting the virtual storefront to the user – or the [application can execute on the user’s computer].”

### C. PRINCIPLES OF LAW

#### *Claim construction*

1. “The Patent and Trademark Office (“PTO”) determines the scope of claims in patent applications not solely on the basis of the claim language, but upon giving claims their broadest reasonable construction ‘in light of the specification as it would be interpreted by one of ordinary skill in the art.’

*In re Am. Acad. of Sci. Tech. Ctr.*, 367 F.3d 1359, 1364 [70 USPQ2d 1827, 1830] (Fed. Cir. 2004).” *Phillips v. AWH Corp.*, 415 F.3d 1303, 1316, 75 USPQ2d 1321, 1329 (Fed. Cir. 2005).

2. “The problem is to interpret claims ‘in view of the specification’ without unnecessarily importing limitations from the specification into the claims.” *E-Pass Techs., Inc. v. 3Com Corp.*, 343 F.3d 1364, 1369, 67 USPQ2d 1947, 1950 (Fed. Cir. 2003).

3. “[R]ecourse to the specification is proper in interpreting claim language and an applicant is privileged to be his own lexicographer - within limits.” *In re Corr*, 347 F.2d 578, 580, 146 USPQ 69, 70 (CCPA 1965). The applicant must do so by placing such definitions

in the Specification with sufficient clarity to provide a person of ordinary skill in the art with clear and precise notice of the meaning that is to be construed. *See also In re Paulsen*, 30 F.3d 1475, 1480, 31 USPQ2d 1671, 1674 (Fed. Cir. 1994) (“Although an inventor is indeed free to define the specific terms used to describe his or her invention, this must be done with reasonable clarity, deliberateness, and precision.”)

*Anticipation*

1. Anticipation is a question of fact. *In re Schreiber*, 128 F.3d 1473, 1477, 44 USPQ2d 1429, 1431 (Fed. Cir. 1997).
2. It is well settled that in order for the examiner to establish a *prima facie* case of anticipation, each and every element of the claimed invention, arranged as required by the claim, must be found in a single prior art reference, either expressly or under the principles of inherency. *See generally, Schreiber*, 128 F.3d at 1477, 44 USPQ2d at 1431; *Diversitech Corp. v. Century Steps, Inc.*, 850 F.2d 675, 677-78, 7 USPQ 1315, 1317 (Fed. Cir. 1988); *Lindemann Maschinenfabrik GMBH v. American Hoist and Derrick*, 730 F.2d 1452, 1458, 221 USPQ 481, 485 (Fed. Cir. 1984).
3. There must be no difference between the claimed invention and the reference disclosure, as viewed by a person of ordinary skill in the field of the invention. *Scripps Clinic & Research Found. v. Genentech Inc.*, 927 F.2d 1565, 1576, 18 USPQ2d 1001, 1010 (Fed. Cir. 1991).

**D. ANALYSIS**

Appellants argue that Swartz does not anticipate the claimed subject matter because it does not teach an “on-line shopping environment.” We are not persuaded by this argument.

The phrase “on-line shopping environment” is recited in claim 1 in the step of “using said recalled list to present a customized selection of items in an on-line shopping environment.” Neither the claim nor the step describe who or what does the “using.” Nor does the claim nor the step describe the “shopping environment.” These are left open. Based on a plain reading of the claim and after giving the terms in the phrase their ordinary and customary meaning, one of ordinary skill in the art would understand the step of “using said recalled list to present a customized selection of items in an on-line shopping environment” to describe using the recalled favorites list on a computer network designed for shopping purposes.

The Specification does not provide a definition that differs from the ordinary and customary meaning. The disclosures to which Appellants have directed our attention (FF 5-9) do not refer to the phrase “on-line shopping environment.” They refer variously to more particularized shopping environments, such as “on-line *grocery stores*,” “virtual *storefronts*,” and “on-line *store[s]*.” There is no discussion in these disclosures equating these latter phrases with the phrase “on-line shopping environment.” Since we must be mindful not to import limitations into claims, in giving claim 1 the broadest reasonable construction in light of the Specification to one of ordinary skill in the art, we construe the step of “using said recalled list to present a customized selection of items in an on-line shopping environment” to describe using the recalled favorites list on a computer network designed for shopping purposes.

There is no dispute that Swartz shows a computer that is online (FF 3 and 5) and that this “store computer” (see Swartz element “73” on Fig. 3, also col. 7, ll. 30-55) is designed for shopping purposes. Accordingly, we find ourselves in agreement with the Examiner that Swartz shows “using said recalled list to present a customized selection of items *in an on-line shopping environment.*” This being the only limitation at issue, we find the Examiner has satisfied the burden of establishing a *prima facie* case of anticipation.

#### E. CONCLUSION OF LAW

On the record before us, Appellants have failed to show that the Examiner erred in rejecting claim 1 over Swartz.

#### *Claim 7*

Claim 7 reads as follows:

7. A method comprising:

logging a shopper’s habits or preferences exhibited in an on-line shopping environment in one or more database records associated with that shopper; and

recalling said logged database record in a bricks and mortar store and using the logged information in connection with bricks and mortar shopping by said user.

#### A. ISSUE

The issue is whether Appellants have shown error in the rejection.

## B. FINDINGS OF FACT

The record supports the following findings of fact (FF) by a preponderance of the evidence.

1. The Examiner found that Swartz discloses the claimed subject matter, as follows:

**7 (Original)** A method comprising:

logging a shopper's habits or preferences exhibited in an online shopping environment in one or more database records associated with that shopper (FIG 3); and

recalling said logged database record in a bricks and mortar store and using the logged information in connection with bricks and mortar shopping by said user (col 11, lines 20-25).

(Answer 7.)

2. Appellants make the same arguments for patentability of this claim as was made for claim 1 (Appeal Br. 12-13 and Reply Br. 6).

## C. PRINCIPLES OF LAW

We incorporate herein the principles of law under the Principles of Law section for the rejection of claim 1 above.

## D. ANALYSIS

Because appellants make the same arguments for patentability of claim 7 as was made for claim 1 (FF 3), we find the Examiner has satisfied the burden of establishing a *prima facie* case of anticipation for the subject matter of claim 7 for the same reasons as was made in finding the Examiner satisfied the burden of establishing a *prima facie* case of anticipation for the subject matter of claim 1.

## E. CONCLUSION OF LAW

On the record before us, Appellants have failed to show that the Examiner erred in rejecting claim 7 over Swartz.

### *Claim 10*

Appellants' state that the rejection of this claim stands or falls with the rejection of claim 1 (Appeal Br. 9). We therefore do not separately address the rejection of claim 10 but, rather, consider it to stand or fall with the disposition of the rejection of claim 1. Since we have found that Appellants have failed to show that the Examiner erred in rejecting claim 1, we likewise find that Appellants have failed to show that the Examiner erred in rejecting claim 10.

### *Claim 20*

Claim 20 reads as follows:

20. A method of facilitating on-line shopping comprising:

collecting data about products of interest during a shopper's visit to a bricks and mortar store, said data being collected prior to check-out; and

using the data thereby acquired in a later on-line shopping session with said shopper.

## A. ISSUE

The issue is whether Appellants have shown error in the rejection.

## B. FINDINGS OF FACT

The record supports the following findings of fact (FF) by a preponderance of the evidence.

1. The Examiner found that Swartz discloses the claimed subject matter for the same reasons that he found Swartz discloses the subject matter of claim 1 (Answer 4).
2. Appellants argue that

[a]gain, the passages cited from Swartz in connection with claim 1 do not teach the claimed relationship between activities in a bricks and mortar store, and subsequent activities in an online shopping environment.

Because Swartz does not teach collecting data about products of interest during a visit to a bricks and mortar store, and later using such data in an on-line shopping session, the rejection of claim 20 fails.

(Appeal Br. 10.)(Emphasis original.)

3. Swartz discloses using the store computer *after* scanning an item (Swartz, col. 3, ll. 47-50).

#### C. PRINCIPLES OF LAW

We incorporate herein the principles of law under the Principles of Law section for the rejection of claim 1 above.

#### D. ANALYSIS

Appellants argue that Swartz does not anticipate the claimed subject matter because it does not teach the claimed relationship between activities in a bricks and mortar store and *subsequent* activities in an online shopping environment.

The question of whether Swartz discloses an “online shopping environment” was addressed in the discussion of the rejection of claim 1 above. We incorporate that discussion herein. The same reasoning we used

to construe that phrase equally applies to the phrase “online shopping session.”

As to the claimed activities in the online shopping environment being *subsequent* activities in the bricks and mortar store, Swartz discloses using the store computer *after* scanning an item (Swartz, col. 3, ll. 47-50)(FF 3). To the extent that Appellants are arguing that the claimed method separates the online shopping experience from a visit to the bricks and mortar store, that argument is not based on limitations appearing in the claim. *In re Self*, 671 F.2d 1344, 1348, 213 USPQ 1, 5 (CCPA 1982). While Swartz’s store computer is arguably located within a bricks and mortar store, the claim has not been drafted to preclude that arrangement. Nothing in the claim limits the online shopping session to occur independent of or to be physically segregated from the bricks and mortar store.

#### E. CONCLUSION OF LAW

On the record before us, Appellants have failed to show that the Examiner erred in rejecting claim 20 over Swartz.

#### *Claim 21*

Claim 21 reads as follows:

21. The method of claim 20 wherein at least certain of the products of potential interest are not purchased by said shopper during said visit to said store.

#### A. ISSUE

The issue is whether Appellants have shown error in the rejection.

## B. FINDINGS OF FACT

The record supports the following findings of fact (FF) by a preponderance of the evidence.

1. We incorporate herein the facts under the Findings of Fact section for the rejection of claim 20 above and add the following.
2. The Examiner found that Swartz discloses the claimed subject matter for the same reasons that he found Swartz discloses the subject matter of claim 1 (Answer 4).
3. Appellants argue that

Swartz does not teach any arrangement in which an arrangement in which a list is compiled in a bricks and mortar store by sensing – without purchasing – an item (and such list is thereafter used in presenting a customized selection of items in an on-line shopping environment).

(Appeal Br. 11.)(Emphasis original.)

4. Swartz discloses a scanning operation that forms a purchase list (Swartz, col., 9, ll. 47-66) but which allows the customer to only get information about the item. No purchase is required. Swartz discloses that a purchase item may be later deleted from the list (Swartz, col. 10, l. 11).

## C. PRINCIPLES OF LAW

We incorporate herein the principles of law under the Principles of Law section for the rejection of claim 1 above.

#### D. ANALYSIS

Appellants argue that Swartz does not disclose the claimed step by which “the products of potential interest *are not purchased* by said shopper during said visit to said store.” The fact is otherwise (see FF 4).

#### E. CONCLUSION OF LAW

On the record before us, Appellants have failed to show that the Examiner erred in rejecting claim 20 over Swartz.

##### *Claim 22*

Claim 22 reads as follows:

22. The method of claim 20 wherein the data collection includes shopper activation of a shelf-based sensor associated with a product of interest.

#### A. ISSUE

The issue is whether Appellants have shown error in the rejection.

#### B. FINDINGS OF FACT

The record supports the following findings of fact (FF) by a preponderance of the evidence.

1. We incorporate herein the facts under the Findings of Fact section for the rejection of claim 20 above and add the following.
2. The Examiner found that Swartz discloses the claimed subject matter for the same reasons that he found the Swartz discloses the subject matter of claim 1<sup>3</sup> (Answer 4).
3. The Examiner found that the subject matter of claim 22 was met by Swartz's disclosure of a barcode reader (Answer 10).
4. Appellants responded by arguing as follows:

The *Examiner's Answer* contends this limitation is met by Swartz's barcode reader.

Not so. Swartz's barcode reader is a portable terminal carried by the shopper. It is not "shelf-based."

In contrast, the corresponding disclosure of Appellants' specification details an arrangement in which the consumer does not carry a reader device, but rather carries a passive barcode-encoded card [citing the Specification 3:27-29]. The consumer presents this card to a shelf-mounted reader associated with an item of interest, causing the associated system to log that consumer's interest in that item.

(Reply Brief 6.)(Footnotes omitted.)

5. The Specification at 3:27-29, reads: "In other embodiments, the selection device needn't be an active device. Instead, for example, the user

---

<sup>3</sup> The Answer (at 4) states that the Examiner is relying on the argument made with respect to claim 11. However, the subject matter of claim 22 (involving a shelf-based sensor) is not covered by the subject matter of claim 11. Accordingly, it appears the Examiner intended to rely not on the argument made with respect to claim 11 but the argument made with respect to the claim on which claim 22 depends, i.e., claim 20, whose rejection was argued for the same reasons as was used in support of the rejection of claim 1 (Answer 4).

can have a passive barcode-encoded card that is presented to a shelf-mounted reader associated with each item.”

6. The Specification does not define “shelf-based.”
7. Barcode readers that are based on a shelf are notoriously well known.

#### C. PRINCIPLES OF LAW

We incorporate herein the principles of law under the Principles of Law section for the rejection of claim 1 above.

#### D. ANALYSIS

Appellants argue that Swartz does not anticipate the claimed subject matter because it does not teach a “shelf-based” barcode reader. We are not persuaded by this argument.

The phrase “shelf-based” recited in claim 22 is not further defined. Based on a plain reading of the claim and after giving the terms in the phrase their ordinary and customary meaning, one of ordinary skill in the art would understand “shelf-based” to require the claimed sensor to be based on a shelf. However, there is no requirement that the sensor be permanently attached to the shelf. All that the claim requires is that the sensor be “based” on a shelf.

The Specification does not provide a definition that differs from the ordinary and customary meaning. The disclosure to which Appellants have directed our attention (FF 5) does not refer to the phrase “shelf-based.” The disclosure talks of an embodiment whereby the reader is “shelf-mounted.” Since we must be mindful not to import limitations into claims, in giving claim 22 the broadest reasonable construction in light of the specification to

one of ordinary skill in the art, we construe “shelf-based” to describe a sensor “based” on a shelf but not necessarily mounted on one.

There is no dispute that Swartz shows a barcode reader that meets the claimed sensor. The only question is whether it is “shelf-based.” In that regard, we read Swartz as encompassing the use of any conventional barcode reader. Barcode readers are commonly stored on a shelf. Barcode readers stored on a shelf are based on a shelf. Accordingly, barcode readers that are based on a shelf are notoriously well known. One of ordinary skill in the art would understand Swartz to include barcode readers based on a shelf among the conventional barcode readers to which its disclosure is directed. Accordingly, we find in agreement with the Examiner that Swartz shows “shelf-based” barcode readers. This being the only limitation at issue, we find the Examiner has satisfied the burden of establishing a *prima facie* case of anticipation.

#### E. CONCLUSION OF LAW

On the record before us, Appellants have failed to show that the Examiner erred in rejecting claim 22 over Swartz.

#### *Claim 23*

Appellants state that the rejection of this claim stands or falls with the rejection of claim 20 (Appeal Br. 12). We therefore do not separately address the rejection of claim 23 but, rather, consider it to stand or fall with the disposition of the rejection of claim 20. Since we have found that Appellants have failed to show that the Examiner erred in rejecting claim 20,

we likewise find that Appellants have failed to show that the Examiner erred in rejecting claim 23.

*Claim 24*

Appellants state that the rejection of this claim stands or falls with the rejection of claim 1 (Appeal Br. 9). We therefore do not separately address the rejection of claim 24 but, rather, consider it to stand or fall with the disposition of the rejection of claim 1. Since we have found that Appellants have failed to show that the Examiner erred in rejecting claim 1, we likewise find that Appellants have failed to show that the Examiner erred in rejecting claim 24.

*Claim 25*

Claim 25 reads as follows:

25. The method of claim 1 wherein the sensing of at least one item occurs without an associated purchase transaction.

**A. ISSUE**

The issue is whether Appellants have shown error in the rejection.

**B. FINDINGS OF FACT**

The record supports the following findings of fact (FF) by a preponderance of the evidence.

1. We incorporate herein the facts under the Findings of Fact section for the rejection of claim 1 above and add the following.
2. The Examiner found that Swartz discloses the claimed subject matter, as follows:

25 (Previously Presented) The method of claim 1 wherein the sensing of at least one item occurs without an associated purchase transaction (col 3, lines 17-38).

Answer 5.

3. Appellants' argument consisted of reproducing the passage from column 3, lines 17-38, of Swartz referred to by the Examiner and added, in its entirety, “[b]ecause Swartz does not teach an arrangement in which a list is compiled in a bricks and mortar store by sensing – without purchasing – an item (and such list is thereafter used in presenting a customized selection of items in an on-line shopping environment), the anticipation rejection of claim 25 fails” (Appeal Br. 10).

4. Swartz discloses a scanning operation that forms a purchase list (Swartz, col., 9, ll. 47-66) but which allows the customer to only get information about the item. No purchase is required. Swartz discloses that a purchase item may be later deleted from the list (Swartz, col. 10, l. 11).

#### C. PRINCIPLES OF LAW

We incorporate herein the principles of law under the Principles of Law section for the rejection of claim 1 above.

#### D. ANALYSIS

Appellants' argument (FF 3) is not persuasive as to error in the rejection because Appellants have failed to explain *why* the passage relied upon by the Examiner does not anticipate the claimed subject matter. In our view, the passage describes obtaining a list in a bricks and mortar store by sensing, which a consumer “*may* later retrieve … and use … during

shopping.” That a consumer “may” use the list during shopping indicates that the consumer need not purchase an item on the list. Furthermore, Swartz discloses a scanning operation that forms a purchase list (Swartz, col. 9, ll. 47-66) but which allows the customer to only get information about the item. No purchase is required. Also, Swartz discloses that a purchase item may be later deleted from the list (Swartz, col. 10, l. 11)(FF 4).

## E. CONCLUSION OF LAW

On the record before us, Appellants have failed to show that the Examiner erred in rejecting claim 25 over Swartz.

*Claims 3-6 and 11-14 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Swartz in view of Official Notice.*

### *Claim 3*

Claim 3 reads as follows:

3. A method of conducting an online shopping session comprising:
  - identifying a user by reference to a login identifier;
  - recalling a list of products associated with the user;
  - presenting products from said list to the user for selection;
  - receiving user selections of products to be purchased;
  - receiving an indication that the user is finished selecting products; and

thereafter querying the user regarding possible purchase of an item not selected by the user but on said recalled list, before completing the online shopping session.

## A. ISSUE

The issue is whether Appellants have shown error in the rejection.

## B. FINDINGS OF FACT

The record supports the following findings of fact (FF) by a preponderance of the evidence.

1. The Examiner found that Figures 4 and 5 of Swartz discloses the claimed subject matter except that Swartz does not specifically mention that the user is alerted after the user finalized the transaction of an additional product they may have missed from the recalled list.  
(Answer 6).
2. The Examiner relied on Official Notice to find that “[p]roviding information about an apparent missed product such as something used in a recipe is old and well known in the art” (Answer 6).
3. Appellants had traversed the Official Notice to which the Examiner responded by citing col. 13, ll. 1-15 and col. 13, ll. 35-45 of Ogasawara (US Patent 6,123,259) (Answer 9).
4. Appellants argued that the Examiner’s reliance on Official Notice was in error because it was contrary to *the Manual of Examining Procedure (MPEP)* § 2144.03, i.e., Official Notice “should not comprise the principle evidence upon which a rejection is based” (Appeal Br. 14).
5. Appellants further argued that Ogasawara and Swartz are similarly deficient; that is, they do not disclose conducting an online shopping session (Appeal Br. 14).
6. Appellants also argued that the Examiner employed hindsight in combining the disclosures of the references to reach the subject matter claimed (Appeal Br. 14-15).

### C. PRINCIPLE OF LAW

“Section 103 forbids issuance of a patent when ‘the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.’” *KSR Int'l Co. v. Teleflex Inc.*, 127 S.Ct. 1727, 1734, 82 USPQ2d 1385, 1391 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including (1) the scope and content of the prior art, (2) any differences between the claimed subject matter and the prior art, and (3) the level of skill in the art. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18, 148 USPQ 459, 467 (1966). See also *KSR*, 127 S.Ct. at 1734, 82 USPQ2d at 1391 (“While the sequence of these questions might be reordered in any particular case, the [*Graham*] factors continue to define the inquiry that controls.”) The Court in *Graham* further noted that evidence of secondary considerations “might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented.” 383 U.S. at 18, 148 USPQ at 467.

In *KSR*, the Supreme Court emphasized “the need for caution in granting a patent based on the combination of elements found in the prior art,” *id.* at 1739, 82 USPQ2d at 1395, and discussed circumstances in which a patent might be determined to be obvious.

In particular, the Supreme Court emphasized that “the principles laid down in *Graham* reaffirmed the ‘functional approach’ of *Hotchkiss*, 11 How. 248.” *KSR*, 127 S.Ct. at 1739, 82 USPQ2d at 1395 (citing *Graham*, 383 U.S. at 12, 148 USPQ at 464 (emphasis added)), and reaffirmed principles based on its precedent that “[t]he combination of familiar

elements according to known methods is likely to be obvious when it does no more than yield predictable results.” *Id.* The Court explained:

When a work is available in one field of endeavor, design incentives and other market forces can prompt variations of it, either in the same field or a different one. If a person of ordinary skill can implement a predictable variation, §103 likely bars its patentability. For the same reason, if a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill.

*Id.* at 1740, 82 USPQ2d at 1396. The operative question in this “functional approach” is thus “whether the improvement is more than the predictable use of prior art elements according to their established functions.” *Id.*

The Supreme Court made clear that “[f]ollowing these principles may be more difficult in other cases than it is here because the claimed subject matter may involve more than the simple substitution of one known element for another or the mere application of a known technique to a piece of prior art ready for the improvement.” *Id.* The Court explained, “[o]ften, it will be necessary for a court to look to interrelated teachings of multiple patents; the effects of demands known to the design community or present in the marketplace; and the background knowledge possessed by a person having ordinary skill in the art, all in order to determine whether there was an apparent reason to combine the known elements in the fashion claimed by the patent at issue.” *Id.* at 1740-41, 82 USPQ2d at 1396. The Court noted that “[t]o facilitate review, this analysis should be made explicit.” *Id.*, citing

*In re Kahn*, 441 F.3d 977, 988, 78 USPQ2d 1329, 1336 (Fed. Cir. 2006) (“[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness”). However, “the analysis need not seek out precise teachings directed to the specific subject matter of the challenged claim, for a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ.” *Id.*

#### D. ANALYSIS

Appellants’ arguments are not persuasive as to error in the art rejection.

The Examiner did not make an error in relying on Official Notice. Not only is Swartz’s disclosure, and not the subject of the Official Notice, the principle evidence upon which the rejection is based, but the Examiner properly cited a reference in support of the subject matter to which Official Notice was taken in response to Appellants’ challenge of the Official Notice. Notwithstanding that the Examiner cited Ogasawara when challenged, Official Notice was taken of “[p]roviding information about an apparent missed product” which, in our view, is capable of instant and unquestionable demonstration as being well known. In all respects, the Examiner properly relied upon and applied Official Notice. *MPEP* § 2144.03.

The question of whether Swartz discloses an “online shopping environment” was addressed in the discussion of the rejection of claim 1 above. We incorporate that discussion herein. The same reasoning we used

to construe that phrase equally applies to the phrase “online shopping session” with respect to claim 3.

Lastly, we disagree that the Examiner employed hindsight in combining the disclosures of the references to reach the subject matter claimed (FF 6).

Appellants do not traverse the Examiner’s finding that Swartz shows the claimed subject matter but for the step of “thereafter querying the user regarding possible purchase of an item not selected by the user but on said recalled list, before completing the online shopping session.” And Appellants have not traversed the Examiner’s characterization that this missing step is, by itself, well known. *KSR* (citing *Graham v. John Deere Co.*, 383 U.S. 1, 12, 148 USPQ 459, 464 (1966) reaffirmed principles based on its precedent that “[t]he combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.” *KSR*, 127 S.Ct. at 1739, 82 USPQ2d at 1395. In that regard, Appellants have not shown the combination of Swartz and the subject matter for which the Examiner has taken Official Notice and for which Ogasawara was relied upon as supporting evidence yields an unexpected result.

#### E. CONCLUSION OF LAW

On the record before us, Appellants have failed to show that the Examiner erred in rejecting claim 3 over Swartz in view of Official Notice.

*Claim 4*

Appellants state that the rejection of this claim stands or falls with the rejection of claim 3 (Appeal Br. 15). We therefore do not separately address the rejection of claim 4 but, rather, consider it to stand or fall with the disposition of the rejection of claim 3. Since we have found that Appellants have failed to show that the Examiner erred in rejecting claim 3, we likewise find that Appellants have failed to show that the Examiner erred in rejecting claim 4.

*Claim 5*

Claim 5 reads as follows:

5. The method of claim 3 which includes selecting said item in accordance with a procedure that depends, in part, on the passage of a predetermined interval of time without the user selecting said item for purchase.

**A. ISSUE**

The issue is whether Appellants have shown error in the rejection.

**B. FINDINGS OF FACT**

The record supports the following findings of fact (FF) by a preponderance of the evidence.

1. We incorporate herein the facts under the Findings of Fact section for the rejection of claim 3 above and add the following.
2. Appellants argue:

The Final Rejection did not particularly address the limitation introduced by this claim. No explanation was offered as to why an artisan would have been led to the claimed arrangement, *i.e.*, wherein

the user is queried about an article selected based, in part on the passage of a predetermined interval of time.

(Appeal Br. 15.)(Footnote omitted.)

3. Page 8 of the Final Rejection (mailed December 5, 2005) states:

In regards to claims 5, 6, 13 and 14, Swartz teaches creating a predicted shopping list that is generated from a customer's historical profile and providing promotional information related to a saved list of products scanned, but does not specifically mention that the user is alerted of an additional product they may have missed from the recalled list. Providing information about an apparent missed product such as under the conditions stated in claims 5, 6, 13 and 14 is old and well known in the art. It would have been obvious to a person having ordinary skill in the art at the time of the invention to include providing information on additional products that may have been missed, because this would both increase sales revenue and provide a needed service to the busy customer who may have over looked that special ingredient. Swartz would be motivated to incorporate this information after all selections were made, because providing the information to [sic, too] early would be annoying since the person may already be aware of the products needed.

#### C. PRINCIPLES OF LAW

We incorporate herein the principles of law under the Principles of Law section for the rejection of claim 3 above.

#### D. ANALYSIS

Appellants' argument (FF 2) is unpersuasive because in our view the Examiner did address the claimed limitation and provide reasons why the subject matter would have been obvious to one of ordinary skill in the art (see FF 3). We also note that the Examiner cited col. 13, ll. 1-15 and col. 13, ll. 35-45 of Ogasawara (US Patent 6,123,259) as evidence of the

conventionality of the claimed limitations, evidence that Appellants did not rebut (Answer 9).

#### E. CONCLUSION OF LAW

On the record before us, Appellants have failed to show that the Examiner erred in rejecting claim 5 over Swartz in view of Official Notice.

#### *Claim 6*

Claim 6 reads as follows:

6. The method of claim 3 that includes selecting said item only if the total price of items selected by the user meets a pre-determined criterion.

#### A. ISSUE

The issue is whether Appellants have shown error in the rejection.

#### B. FINDINGS OF FACT

The record supports the following findings of fact (FF) by a preponderance of the evidence.

1. We incorporate herein the facts under the Findings of Fact section for the rejection of claim 3 above and add the following.
2. Appellants argue:

Again, the Final Rejection did not particularly address the limitation introduced by this claim. Again, no explanation was offered as to why an artisan would have been led to the claimed arrangement, *i.e.*, wherein an article is selected for querying of the user only if the total price of items selected by the user meets a pre-determined criterion.

(Appeal Br. 16.)(Footnote omitted.)

3. Page 8 of the Final Rejection (mailed December 5, 2005) states:

In regards to claims 5, 6, 13 and 14, Swartz teaches creating a predicted shopping list that is generated from a customer's historical profile and providing promotional information related to a saved list of products scanned, but does not specifically mention that the user is alerted of an additional product they may have missed from the recalled list. Providing information about an apparent missed product such as under the conditions stated in claims 5, 6, 13 and 14 is old and well known in the art. It would have been obvious to a person having ordinary skill in the art at the time of the invention to include providing information on additional products that may have been missed, because this would both increase sales revenue and provide a needed service to the busy customer who may have over looked that special ingredient. Swartz would be motivated to incorporate this information after all selections were made, because providing the information to [sic, too] early would be annoying since the person may already be aware of the products needed.

#### C. PRINCIPLES OF LAW

We incorporate herein the principles of law under the Principles of Law section for the rejection of claim 3 above.

#### D. ANALYSIS

Appellants' argument (FF 2) is unpersuasive because in our view the Examiner did address the claimed limitation and provide reasons why the subject matter would have been obvious to one of ordinary skill in the art (see FF 3). We also note that the Examiner cited col. 2, ll. 32-42 of Walker (US Patent 6,598,024) as evidence of the conventionality of the claimed limitations, evidence that Appellants did not rebut (Answer 9).

## E. CONCLUSION OF LAW

On the record before us, Appellants have failed to show that the Examiner erred in rejecting claim 6 over Swartz in view of Official Notice.

### *Claim 11*

Appellants state that the rejection of this claim stands or falls with the rejection of claim 1 (Appeal Br. 13). We therefore do not separately address the rejection of claim 11 but, rather, consider it to stand or fall with the disposition of the rejection of claim 1. Since we have found that Appellants have failed to show that the Examiner erred in rejecting claim 1, we likewise find that Appellants have failed to show that the Examiner erred in rejecting claim 11.

### *Claim 12*

Claim 12 reads as follows:

12. The method of claim 3 in which the item not selected by the user, but on said recalled list associated with the user, is a dessert or cookie item.

## A. ISSUE

The issue is whether Appellants have shown error in the rejection.

## B. FINDINGS OF FACT

The record supports the following findings of fact (FF) by a preponderance of the evidence.

1. We incorporate herein the facts under the Findings of Fact section for the rejection of claim 3 above and add the following.

2. Appellants argue:

Because no art has been cited teaching the cited limitation, the claimed combination cannot result from the cited art. Moreover, the rejection lacks any rationale leading an artisan to modify the art to yield the claimed arrangement.

(Appeal Br. 17.)

3. Pages 7 and 8 of the Final Rejection (mailed December 5, 2005) state:

In regards to claim 12, Swartz teaches a recall list and providing the user with items not selected by the user, but does not specifically mention that the item is a cookie or dessert. The examiner maintains that the list would be considered the set of items and the items upon the list the sub-set, therefore, understanding the opportunity for an infinite number of products in a store being placed on this list, the examiner has concluded that all items that could be present on a list are included as the sub-set to the total set of items being the list. Furthermore, the examiner does not understand the applicant's apparent differentiation between a dessert and a cookie, considering that one of ordinary skill in the art might consider a cookie (sub-set) within the definition of a dessert item (total set or list), an example being a fortune cookie presented at the end of a Chinese meal as a dessert. Webster's dictionary defines dessert as a sweet course or dish served at the end of a meal. Considering this definition the examiner also points the applicant's attention to FIG 6, which has presented several sweet items such as hot cocoa and granola.

#### C. PRINCIPLES OF LAW

We incorporate herein the principles of law under the Principles of Law section for the rejection of claim 3 above.

#### D. ANALYSIS

Appellants' argument (FF 2) is unpersuasive because in our view the Examiner makes it clear that he is relying on Swartz as evidence that the limitation was known. Reasons why Swartz would render the subject matter obvious to one of ordinary skill in the art are provided (see FF 3).

## E. CONCLUSION OF LAW

On the record before us, Appellants have failed to show that the Examiner erred in rejecting claim 12 over Swartz in view of Official Notice.

### *Claim 13*

Claim 13 reads as follows:

13. The method of claim 3 in which the item is the subject of said query only if said item has not been purchased by the user for a predetermined period.

## A. ISSUE

The issue is whether Appellants have shown error in the rejection.

## B. FINDINGS OF FACT

The record supports the following findings of fact (FF) by a preponderance of the evidence.

1. We incorporate herein the facts under the Findings of Fact section for the rejection of claim 3 above and add the following.
2. Appellants argue:

The Final Rejection did not particularly address the limitation introduced by this claim. No explanation was offered as to why an artisan would have been led to the claimed arrangement, *i.e.*, wherein

the user is queried about an article selected based, in part on the passage of a predetermined interval of time.

(Appeal Br. 17.)

3. Page 8 of the Final Rejection (mailed December 5, 2005) states:

In regards to claims 5, 6, 13 and 14, Swartz teaches creating a predicted shopping list that is generated from a customer's historical profile and providing promotional information related to a saved list of products scanned, but does not specifically mention that the user is alerted of an additional product they may have missed from the recalled list. Providing information about an apparent missed product such as under the conditions stated in claims 5, 6, 13 and 14 is old and well known in the art. It would have been obvious to a person having ordinary skill in the art at the time of the invention to include providing information on additional products that may have been missed, because this would both increase sales revenue and provide a needed service to the busy customer who may have over looked that special ingredient. Swartz would be motivated to incorporate this information after all selections were made, because providing the information to [sic, too] early would be annoying since the person may already be aware of the products needed.

#### C. PRINCIPLES OF LAW

We incorporate herein the principles of law under the Principles of Law section for the rejection of claim 3 above.

#### D. ANALYSIS

Appellants' argument (FF 2) is unconvincing because in our view the Examiner did address the claimed limitation and provide reasons why the subject matter would have been obvious to one of ordinary skill in the art (See FF 3). We also note that the Examiner cited col. 13, ll. 1-15 and col. 13, ll. 35-45 of Ogasawara (US Patent 6,123,259) as evidence of the

conventionality of the claimed limitations, evidence that Appellants did not rebut (Answer 9).

#### E. CONCLUSION OF LAW

On the record before us, Appellants have failed to show that the Examiner erred in rejecting claim 13 over Swartz in view of Official Notice.

#### *Claim 14*

Claim 14 reads as follows:

14. The method of claim 3 in which the item is the subject of said query only if the user has demonstrated a prior purchasing habit related to said item, and the omission of said item is not in accordance with said demonstrated habit.

#### A. ISSUE

The issue is whether Appellants have shown error in the rejection.

#### B. FINDINGS OF FACT

The record supports the following findings of fact (FF) by a preponderance of the evidence.

1. We incorporate herein the facts under the Findings of Fact section for the rejection of claim 3 above and add the following.
2. Appellants argue:

Again, the Final Rejection did not particularly address the limitation introduced by this claim. No explanation was offered as to why an artisan would have been led to the claimed arrangement, *i.e.*, wherein an item is the subject of a query only if the user has demonstrated a prior purchasing habit related to the item, and the omission of the item is not in accordance with the demonstrated habit.

(Appeal Br. 18.)(Footnote omitted.)

3. Page 8 of the Final Rejection (mailed December 5, 2005) states:

In regards to claims 5, 6, 13 and 14, Swartz teaches creating a predicted shopping list that is generated from a customer's historical profile and providing promotional information related to a saved list of products scanned, but does not specifically mention that the user is alerted of an additional product they may have missed from the recalled list. Providing information about an apparent missed product such as under the conditions stated in claims 5, 6, 13 and 14 is old and well known in the art. It would have been obvious to a person having ordinary skill in the art at the time of the invention to include providing information on additional products that may have been missed, because this would both increase sales revenue and provide a needed service to the busy customer who may have over looked that special ingredient. Swartz would be motivated to incorporate this information after all selections were made, because providing the information to [sic, too] early would be annoying since the person may already be aware of the products needed.

#### C. PRINCIPLES OF LAW

We incorporate herein the principles of law under the Principles of Law section for the rejection of claim 3 above.

#### D. ANALYSIS

Appellants' argument (FF 2) is unpersuasive because in our view the Examiner did address the claimed limitation and provide reasons why the subject matter would have been obvious to one of ordinary skill in the art (See FF 3). We also note that the Examiner cited col. 1, ll. 29-35 of Ruppert (US Patent 5,424,524) as evidence of the conventionality of the claimed limitation to the omitted item and col. 13, ll. 1-15 and col. 13, ll. 35-45 of

Ogasawara (US Patent 6,123,259) as evidence of the conventionality of the claimed purchasing habit, evidence that Appellants did not rebut (Answer 9).

## E. CONCLUSION OF LAW

On the record before us, Appellants have failed to show that the Examiner erred in rejecting claim 14 over Swartz in view of Official Notice.

*Claims 26 and 27 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Swartz in view of “St. Regis Paper Co. v. Bemis Co., 193 USPQ 8”.*

### *Claim 26*

Claim 26 reads as follows:

26. The method of claim 1 in which the bricks and mortar store is associated with a first vendor, and the recalled list is used by a second vendor distinct from the first, to present a customized selection of items in an on-line shopping environment.

## A. ISSUE

The issue is whether Appellants have shown error in the rejection.

## B. FINDINGS OF FACT

The record supports the following findings of fact (FF) by a preponderance of the evidence.

1. We incorporate herein the facts under the Findings of Fact section for the rejection of claim 1 above and add the following.
2. The Examiner found

In regards to claim 26, Swartz teaches reading barcode data from a product and storing the information in memory for later use

and using the stored bar code data to create an order list which is distributed to a store for pricing and other information. It would have been obvious to a person of ordinary skill in the art at the time of the invention to have the invention used for more than one store, since it has been held that mere duplication of the essential working parts of a system involves only routine skill in the art. *St. Regis Paper Co. v. Bemis Co.*, 193 USPQ 8.

(Answer 5).

3. Appellants argue that “[c]laim 26 does not concern mere duplication of parts known from the prior art (as was the case in *St. Regis*). Rather, claim 26 defines a method in which a list is compiled in a bricks and mortar store of a first vendor, and is then recalled/used in connection with on-line shopping with a second, different, vendor” (Appeal Br. 19).

### C. PRINCIPLE OF LAW

We incorporate herein the principles of law under the Principles of Law section for the rejection of claim 3 above.

### D. ANALYSIS

We note that the statement of the rejection of claims 26 includes “[*St. Regis Paper Co. v. Bemis Co.*, 193 USPQ 8” [*St. Regis Paper Co. v. Bemis Co., Inc.*, 403 F.Supp. 776, 787, 188 USPQ 107, 117 (S.D. Ill. 1975), rev'd on other grounds, 549 F.2d 833, 193 USPQ 8 (7th Cir.), cert. denied, 434 U.S. 838, 195 USPQ 465 (1977)] as a secondary reference (Answer 5).

However, the Examiner relies on *St. Regis Paper Co.* as legal support for the argument that “mere duplication of the essential working parts of a system involves only routine skill in the art” (Answer 5) that forms part of the discussion rationalizing the rejections and not as evidence that any of the

claimed subject matter was known. Accordingly, it was unnecessary to cite *St. Regis Paper Co.* as a prior art reference.

Regarding Appellants' argument (FF 3), it is not persuasive as to error in the rejection. First, Appellants argue that the claim calls for a second vendor that is different from the first. However, the claim only calls for a second vendor "distinct" from the first. There is no requirement that the vendors be different in order to be distinct. Second, Appellants dismiss the Examiner's rationale for rejecting the claim on the grounds that it is not directed to what is claimed. In our view, the Examiner did address the claimed subject matter. The Examiner's argument is premised on construing the claimed method to require a separate online environment and brick and mortar store while viewing Swartz as showing only a single online environment/bricks and mortar store combination.

#### E. CONCLUSION OF LAW

On the record before us, Appellants have failed to show that the Examiner erred in rejecting claim 26 over Swartz.

#### *Claim 27*

Claim 27 reads as follows:

27. The method of claim 3 in which the on-line shopping session is with a first vendor, yet products included on the recalled list include products that the user has not purchased from the first vendor.

#### A. ISSUES

The issue is whether Appellants have shown error in the rejection.

## B. FINDINGS OF FACT

The record supports the following findings of fact (FF) by a preponderance of the evidence.

1. We incorporate herein the facts under the Findings of Fact section for the rejection of claim 3 above and add the following.

2. The Examiner found

In regards to claim 27, Swartz teaches reading barcode data from a product and storing the information in memory for later use and using the stored bar code data to create an order list which is distributed to a store for pricing and other information. It would have been obvious to a person of ordinary skill in the art at the time of the invention to have the invention used for more than one store, since it has been held that mere duplication of the essential working parts of a system involves only routine skill in the art. *St. Regis Paper Co. v. Bemis Co.*, 193 USPQ 8.

(Answer 7.)

3. Appellants argue that “[t]he Examiner’s reliance on *St. Regis* is misplaced; that case dealt with duplicating elements in a system. That is not what is claimed. Rather, the claim requires recalling products that a user has not purchased from a vendor, when on-line shopping with such vendor.”

(Appeal Br. 18.)

## C. PRINCIPLES OF LAW

We incorporate herein the principles of law under the Principles of Law section for the rejection of claim 3 above.

## D. ANALYSIS

We note that the statement of the rejection of claims 27 includes “*St. Regis Paper Co. v. Bemis Co.*, 193 USPQ 8” [*St. Regis Paper Co. v. Bemis*

*Co., Inc.*, 403 F.Supp. 776, 787, 188 USPQ 107, 117 (S.D. Ill. 1975), rev'd on other grounds, 549 F.2d 833, 193 USPQ 8 (7th Cir.), *cert. denied*, 434 U.S. 838, 195 USPQ 465 (1977)] as a secondary reference (Answer 7). However, the Examiner relies on *St. Regis Paper Co.* as legal support for the argument that "mere duplication of the essential working parts of a system involves only routine skill in the art" (Answer 7) that forms part of the discussion rationalizing the rejections and not as evidence that any of the claimed subject matter was known. Accordingly, it was unnecessary to cite *St. Regis Paper Co.* as a prior art reference.

Regarding Appellants' argument (FF 3), it is not persuasive as to error in the rejection. Appellants dismiss the Examiner's rationale for rejecting the claim on the grounds that it is not directed to what is claimed. In our view, the Examiner did address the claimed subject matter. The Examiner's argument is premised on construing the claimed method to require a separate online environment and brick and mortar store while viewing Swartz as showing only a single online environment/bricks and mortar store combination.

#### E. CONCLUSION OF LAW

On the record before us, Appellants have failed to show that the Examiner erred in rejecting claim 27 over Swartz.

*Claims 9, 15-19 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Kenney in view of Swartz.*

#### *Claim 9*

Claim 9 reads as follows:

9. In a method of on-line shopping from a first vendor, an improvement comprising displaying a virtual shopping aisle with graphical – rather than strictly textual – representations of items for sale, wherein items of potential interest to a shopper are presented more prominently than other items, and that includes identifying items of potential interest by reference to the shopper's prior activity in a bricks and mortar store.

#### A. ISSUE

The issue is whether Appellants have shown error in the rejection.

#### B. FINDINGS OF FACT

The record supports the following findings of fact (FF) by a preponderance of the evidence.

1. The Examiner found that Kenney discloses all the claimed limitations but “does not specifically mention that the historical information was gathered at a brick and mortar store” (Answer 8). In that regard, the Examiner found that “Swartz teaches scanning data on a device, which can later be used to purchase products on-line (see response to claim 1)” (Answer 8). Appellants did not traverse these findings (Appeal Br. 20).

2. Appellants argue that “Swartz does not teach purchasing products on-line” (Appeal Br. 20).

3. Appellants also argue that the Examiner’s rationale for combining the references to reach the claimed subject matter is based on hindsight (Appeal Br. 20).

### C. PRINCIPLES OF LAW

We incorporate herein the principles of law under the Principles of Law section for the rejection of claim 3 above.

### D. ANALYSIS

Appellants' arguments are not persuasive as to error in the art rejection. Appellants' argument that "Swartz does not teach purchasing products on-line" is not commensurate in scope with what is claimed. There is nothing in the claim requiring purchasing products on-line. Regarding Appellants' argument that the Examiner's rationale for combining the references to reach the claimed subject matter is based on hindsight, Appellants did not traverse the Examiner's findings on the scope and content of Kenny and Swartz. Accordingly, Appellants have not disputed that the references teach all the elements claimed. *KSR* (citing *Graham v. John Deere Co.*, 383 U.S. 1, 12, 148 USPQ 459, 464 (1966)) reaffirmed principles based on its precedent that "[t]he combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results." *KSR*, 127 S.Ct. at 1739, 82 USPQ2d at 1395. No unexpected results have been shown.

### E. CONCLUSION OF LAW

On the record before us, Appellants have failed to show that the Examiner erred in rejecting claim 9 over Kenny in view of Swartz.

*Claim 15*

Appellants state that the rejection of this claim stands or falls with the rejection of claim 9 (Appeal Br. 21). We therefore do not separately address the rejection of claim 15 but, rather, consider it to stand or fall with the disposition of the rejection of claim 9. Since we have found that Appellants have failed to show that the Examiner erred in rejecting claim 9, we likewise find that Appellants have failed to show that the Examiner erred in rejecting claim 15.

*Claim 16*

Appellants state that the rejection of this claim stands or falls with the rejection of claim 9 (Appeal Br. 21). We therefore do not separately address the rejection of claim 16 but, rather, consider it to stand or fall with the disposition of the rejection of claim 9. Since we have found that Appellants have failed to show that the Examiner erred in rejecting claim 9, we likewise find that Appellants have failed to show that the Examiner erred in rejecting claim 16.

*Claim 17*

Claim 17 reads as follows:

17. In a method of on-line shopping from a first vendor, an improvement comprising displaying a virtual shopping aisle with graphical – rather than strictly textual – representations of items for sale, wherein items of potential interest to a shopper are presented more prominently than other items, and that includes identifying items of potential interest by reference to the shopper's prior activity in a bricks and mortar store, wherein said items of potential interest include at least one item that the shopper has not previously purchased from said vendor.

#### A. ISSUE

The issue is whether Appellants have shown error in the rejection.

#### B. FINDINGS OF FACT

The record supports the following findings of fact (FF) by a preponderance of the evidence.

1. The Examiner relies on the analysis of claim 9 to show the claimed subject matter was known in the prior art (Answer 8). Regarding the limitation “wherein said items of potential interest include at least one item that the shopper has not previously purchased from said first vendor,” the Examiner relies on Fig. 7 of Kenney (Answer 8).
2. Appellants argue that Fig. 7 does not show that “said items” of the wherein clause “refer … to one or more items that were identified as of potential interest by reference to the shopper’s prior activity in a bricks and mortar store” (Appeal Br. 21).
3. Appellants also argue that the Examiner has provided no rationale why one of ordinary skill in the art would have modified Keeney (Appeal Br. 21-22).

#### C. PRINCIPLES OF LAW

We incorporate herein the principles of law under the Principles of Law section for the rejection of claim 3 above.

#### D. ANALYSIS

Appellants argument that Fig. 7 does not show that “said items” of the wherein clause “refer … to one or more items that were identified as of

potential interest by reference to the shopper's prior activity in a bricks and mortar store" is unpersuasive because the Examiner relies on Swartz to show items identified as of potential interest by reference to the shopper's prior activity in a bricks and mortar store (see Answer 8).

Appellants' argument that the Examiner has provided no rationale why one of ordinary skill in the art would have modified Keeney is unpersuasive. The Examiner relies on Swartz and Kenney to show all the claimed elements are known. *KSR* (citing *Graham v. John Deere Co.*, 383 U.S. 1, 12, 148 USPQ 459, 464 (1966) reaffirmed principles based on its precedent that "[t]he combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results." *KSR*, 127 S.Ct. at 1739, 82 USPQ2d at 1395. No unexpected results have been shown.

#### E. CONCLUSION OF LAW

On the record before us, Appellants have failed to show that the Examiner erred in rejecting claim 17 over Kenney in view of Swartz.

#### *Claim 19*

Claim 19 reads as follows:

19. In a method of on-line shopping from a first vendor, an improvement comprising displaying a virtual shopping aisle with graphical – rather than strictly textual – representations of items for sale, wherein items of potential interest to a shopper are presented more prominently than other items, and that includes identifying items of potential interest, at least in part, by sensing identification data from products while at the shopper's residence.

#### A. ISSUE

The issue is whether Appellants have shown error in the rejection.

#### B. FINDINGS OF FACT

The record supports the following findings of fact (FF) by a preponderance of the evidence.

1. The Examiner relies on the analysis of claim 9 to show the claimed subject matter was known in the prior art (Answer 8). Regarding the limitation of identifying items of potential interest, at least in part by sensing identification data from products while at the shopper's residence, the Examiner relies on col 3, lines 20-35 (Answer 8). Appellants do not traverse these findings.
2. Appellants argue that the Examiner has failed to provide a rationale for combining the prior art disclosures to reach the claimed invention.

#### C. PRINCIPLES OF LAW

We incorporate herein the principles of law under the Principles of Law section for the rejection of claim 3 above.

#### D. ANALYSIS

Appellants' argument is not persuasive as to error in the art rejection. Regarding Appellants' argument that the Examiner's rationale for combining the references to reach the claimed subject matter is based on hindsight, Appellants did not traverse the Examiner's findings on the scope and content of Kenny and Swartz. Accordingly, Appellants have not disputed that the references teach all the elements claimed. *KSR* (citing

*Graham v. John Deere Co.*, 383 U.S. 1, 12, 148 USPQ 459, 464 (1966) reaffirmed principles based on its precedent that “[t]he combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.” *KSR*, 127 S.Ct. at 1739, 82 USPQ2d at 1395. No unexpected results have been shown.

#### E. CONCLUSION OF LAW

On the record before us, Appellants have failed to show that the Examiner erred in rejecting claim 19 over Kenney in view of Swartz.

*Claim 18 is rejected under 35 U.S.C. §103(a) as being unpatentable over Kenney in view of Swartz and further in view of “St. Regis Paper Co. v. Bemis Co., 193 USPQ 8.”*

Claim 18 reads as follows:

18. In a method of on-line shopping from a first vendor, an improvement comprising displaying a virtual shopping aisle with graphical – rather than strictly textual – representations of items for sale, wherein items of potential interest to a shopper are presented more prominently than other items, and that includes identifying items of potential interest by reference to the shopper’s prior shopping history, where said history includes transactions with vendors other than said first vendor.

#### A. ISSUE

The issue is whether Appellants have shown error in the rejection.

## B. FINDINGS OF FACT

The record supports the following findings of fact (FF) by a preponderance of the evidence.

1. The Examiner found all the claimed elements to be taught on the prior art references (Answer 9).
2. Appellants argue that “*St. Regis* is inapposite; . . . claim 18 requires that in connection with on-line shopping with a *first* vendor, use be made of a prior shopping history that includes transactions with vendors *other than the first* vendor. The art is silent as to such limitation” (Appeal Br. 23).

## C. PRINCIPLES OF LAW

We incorporate herein the principles of law under the Principles of Law section for the rejection of claim 3 above.

## D. ANALYSIS

We note that the statement of the rejection of claim 18 includes “*St. Regis Paper Co. v. Bemis Co.*, 193 USPQ 8” [*St. Regis Paper Co. v. Bemis Co., Inc.*, 403 F.Supp. 776, 787, 188 USPQ 107, 117 (S.D. Ill. 1975), rev’d on other grounds, 549 F.2d 833, 193 USPQ 8 (7th Cir.), *cert. denied*, 434 U.S. 838, 195 USPQ 465 (1977)] as a secondary reference (Answer 8). However, the Examiner relies on *St. Regis Paper Co.* as legal support for the argument that “mere duplication of the essential working parts of a system involves only routine skill in the art” (Answer 9) that forms part of the discussion rationalizing the rejections and not as evidence that any of the claimed subject matter was known. Accordingly, it was unnecessary to cite *St. Regis Paper Co.* as a prior art reference.

Regarding Appellants' argument (FF 2), it is not persuasive as to error in the rejection. Appellants dismiss the Examiner's rationale for rejecting the claim on the grounds that it is not directed to what is claimed. In our view, the Examiner did address the claimed subject matter. The Examiner's argument is premised on construing the claimed method to require a separate online environment and brick and mortar store while viewing Swartz as showing only a single online environment/bricks and mortar store combination.

#### E. CONCLUSION OF LAW

On the record before us, Appellants have failed to show that the Examiner erred in rejecting claim 18 over Kenney in view of Swartz.

#### DECISION

The decision of the Examiner rejecting claims 1, 7, 10, and 20-25 under 35 U.S.C. § 102(e) as being unpatentable over Swartz; claims 3-6, 11-14, and 27 under 35 U.S.C. § 103(a) as being unpatentable over Swartz in view of Official Notice; claims 26 and 27 under 35 U.S.C. § 103(a) as being unpatentable over Swartz; and claims 9, and 15-19 under 35 U.S.C. § 103(a) as being unpatentable over Kenney in view of Swartz is affirmed.

Appeal 2007-0065  
Application 09/502,542

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED

hh

DIGIMARC CORPORATION  
9405 SW GEMINI DRIVE  
BEAVERTON, OR 97008